

COPY

FILED

STATE OF INDIANA

DEC 11 2006

INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY  
REGULATORY COMMISSION

PETITION OF THE CITY OF ELKHART,  
INDIANA, FOR AUTHORITY TO  
INCREASE ITS RATES AND CHARGES  
FOR WATER SERVICE, AND FOR  
APPROVAL OF NEW SCHEDULE OF  
RATES AND CHARGES APPLICABLE  
THERE TO

)  
)  
)  
)  
)  
)  
)

CAUSE NO. \_\_\_\_\_

43191

PETITION

Petitioner City of Elkhart, Indiana ("Petitioner") seeks authority to increase its rates and charges for water service, and approval of a new schedule of rates and charges applicable thereto. In support, Petitioner states:

1. Petitioner is a municipality that owns and operates plant and equipment within the State of Indiana for the production, transmission, delivery, and furnishing of water to the public within and around the City of Elkhart, Indiana. Petitioner owns and operates a "municipally owned utility" as that phrase is used in Ind. Code § 8-1-2-1(h), and Petitioner is subject to the jurisdiction of this Commission as and to the extent provided by law.

2. Petitioner's existing schedule of rates and charges for water utility service was approved by the Commission on December 15, 1993, in Cause No. 39780. Petitioner's existing rates and charges for water service will not produce sufficient revenue to: pay all the legal and other necessary expenses incident to the operation of the utility, including maintenance costs, operating charges, upkeep, repairs, depreciation, and interest charges on bonds or other obligations, including leases; provide a sinking fund for the liquidation of bonds or other

evidence of indebtedness, including leases; provide a debt service reserve for bonds or other obligations, including leases; provide adequate money for working capital; provide adequate money for making extensions and replacements to the extent not provided for through depreciation; provide money for the payment of any taxes that may be assessed against the utility; provide a reasonable return on the utility plant; and compensate Petitioner for taxes that would be due Petitioner on the utility property were it privately owned. The existing rates and charges are, therefore, unreasonable and unjust.

3. It is necessary to increase the present rates and charges in order to provide sufficient funds to meet the financial requirements of Petitioner's waterworks and maintain the utility property in a sound physical and financial condition, thus enabling Petitioner to continue rendering adequate and efficient utility service. Petitioner requests that the 12 months ended August 31, 2006, adjusted for changes occurring within the 12 months thereafter which are fixed, known and measurable, be used as the test year in this case.

4. Petitioner's Board of Public Works and Petitioner's Common Council have approved the establishment of a new schedule of rates and charges, both subject to Commission approval requested herein.

5. Petitioner considers Ind. Code §§ 8-1-2-42 and 8-1.5-3-8, among others, may be applicable to the subject matter of this proceeding.

6. The attorneys authorized to represent Petitioner in this proceeding who are authorized to accept service of papers in the proceeding on behalf of Petitioner are:

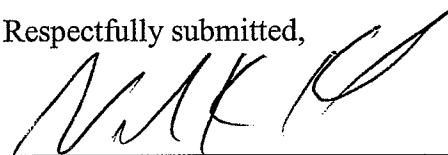
Nicholas K. Kile, Attorney No. 15203-53  
P. Jason Stephenson, Attorney No. 21839-49  
Yolanda D. Edwards, Attorney No. 24161-49  
BARNES & THORNBURG LLP  
11 South Meridian Street  
Indianapolis, Indiana 46204  
nicholas.kile@btlaw.com  
jason.stephenson@btlaw.com  
(317) 231-7768 (Mr. Kile)  
(317) 231-7749 (Mr. Stephenson)  
(317) 231-7311 (Ms. Edwards)  
(317) 231-7433 - facsimile

7. This Petition has been provided to the Office of Utility Consumer Counselor ("OUCC") at the time of filing of this Petition. Further information requested by the Commission staff or the OUCC will be provided by Petitioner upon request or as part of Petitioner's evidence herein.

8. Pursuant to 170 IAC 1-1.1-15(b), Petitioner requests that a date be promptly fixed for a preliminary hearing and prehearing conference in this matter.

WHEREFORE, Petitioner respectfully prays the Commission promptly conduct a prehearing conference, take such further action as it deems appropriate, and thereafter issue a final order authorizing an increase in Petitioner's rates and charges for water service, and approving the establishment of a new schedule of water rates and charges applicable thereto. Finally, Petitioner respectfully prays that the Commission make such other and further orders in the premises as the Commission may deem appropriate and proper.

Respectfully submitted,



---

Nicholas K. Kile (Atty. #15203-53)  
P. Jason Stephenson (Atty. # 21839-49)  
BARNES & THORNBURG LLP  
11 South Meridian Street  
Indianapolis, Indiana 46204  
(317) 231-7768

Attorneys for Petitioner  
City of Elkhart, Indiana

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that two copies of the foregoing document were served  
this 11<sup>th</sup> day of December, 2006, by hand delivery to the following:

Office of the Utility Consumer Counselor  
100 North Senate Avenue, Room N501  
Indiana Government Center North  
Indianapolis, Indiana 46204,



P. Jason Stephenson